

Veterans Trust Fund Bill House File 2468

Last Action:

**House Appropriations
Committee**

April 5, 2012

An Act relating to transfers to the Veterans Trust Fund and including effective date provisions.

**Fiscal Services Division
Legislative Services Agency**

NOTES ON BILLS AND AMENDMENTS (NOBA)

Available on line at <http://www.legis.iowa.gov/LSA/Reports/noba.aspx>
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FUNDING SUMMARY

- Provides a one-time transfer of funds from the FY 2012 General Fund surplus after the required amounts are allocated to the Cash Reserve Fund, Economic Emergency Fund, and the Taxpayers Trust Fund. The amount to be transferred to the Veterans Trust Fund will be equal to the amount that is needed to bring the balance in the Fund to \$50.0 million.

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FISCAL IMPACT: At the end of FY 2012, the Veterans Trust Fund will have an estimated balance of \$17.0 million. The estimated amount to be transferred from the General Fund surplus to the Fund is \$33.0 million. Under current law, the \$33.0 million would be transferred back to the General Fund.

- Repeals a requirement that distributes Lottery ticket proceeds to the county directors of Veterans Affairs if the balance in the Veterans Trust Fund is at least \$50.0 million.

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FISCAL IMPACT: The estimated revenue generated from Lottery ticket sales and deposited in the Veterans Trust Fund has been approximately \$2.9 million annually. The repeal of this requirement will cause the annual Lottery proceeds to remain in the Veterans Trust Fund rather than being transferred to the county directors of Veterans Affairs.

LSB 5919HZ provides for the following changes to the Code of Iowa.

Page #	Line #	Bill Section	Action	Code Section	Description
1	16	2	Amend	99G.9A	

1 1 Section 1. TRANSFER TO VETERANS TRUST FUND. At the
 1 2 close of the fiscal year beginning July 1, 2011, following
 1 3 the appropriations made to the cash reserve fund pursuant
 1 4 to section 8.57, subsections 1 and 3, and the Iowa economic
 1 5 emergency fund pursuant to section 8.57, subsection 4, and
 1 6 following any transfer made from the Iowa economic emergency
 1 7 fund to the taxpayers trust fund pursuant to section 8.55,
 1 8 subsection 2, paragraph "a", subparagraph (1), from the excess
 1 9 moneys that remain, an amount sufficient for the balance of
 1 10 the veterans trust fund created in section 35A.13 to reach
 1 11 fifty million dollars, up to the amount of excess moneys that
 1 12 remains, shall be transferred to the veterans trust fund,
 1 13 and any remaining excess shall be transferred to the general
 1 14 fund of the state as provided in section 8.55, subsection 2,
 1 15 paragraph "a", subparagraph (2).

Provides a one-time transfer of funds from the FY 2012 General Fund surplus after the required amounts are allocated to the Cash Reserve Fund, Economic Emergency Fund, and the Taxpayers Trust Fund. The amount to be transferred to the Veterans Trust Fund will be equal to the amount that is needed to bring the balance in the Fund to \$50,000,000.

DETAIL: At the end of FY 2012, the Veterans Trust Fund will have an estimated balance of \$17,000,000. The estimated amount to be transferred from the General Fund surplus to the Fund is \$33,000,000. Under current law, the \$33,000,000 would be transferred back to the General Fund.

The Veterans Trust Fund currently receives the majority of its funding through special lottery pull tab and instant scratch games. The lottery proceeds generate approximately \$2,852,000 annually to the Fund. Code section 99G.9A requires these lottery proceeds to be distributed to the county directors of Veterans Affairs once the Veterans Trust Fund reaches \$50,000,000.

1 16 Sec. 2. Section 99G.9A, Code 2011, is amended to read as
 1 17 follows:
 1 18 99G.9A LIMITED SERIES OF LOTTERY GAMES PROVIDING AID FOR
 1 19 VETERANS.

CODE: Repeals a requirement that distributes Lottery ticket proceeds to the county directors of Veterans Affairs if the balance in the Veterans Trust Fund is at least \$50,000,000.

1 20 The chief executive officer, in consultation with the
 1 21 board, shall develop and conduct two additional instant
 1 22 scratch and two additional pull tab lottery games annually
 1 23 to provide moneys for the benefit of veterans and their
 1 24 spouses and dependents. The moneys received from the sale of
 1 25 tickets for each lottery game shall be deposited in a special
 1 26 account in the lottery fund. Notwithstanding section 99G.39,
 1 27 after payment of the prizes, the remaining moneys shall be
 1 28 transferred to the veterans trust fund established pursuant
 1 29 to section 35A.13. ~~However, if the balance of the veterans~~
 1 30 ~~trust fund is fifty million dollars or more, the remaining~~
 1 31 ~~moneys shall be appropriated to the department of revenue for~~
 1 32 ~~distribution to county directors of veteran affairs, with fifty~~
 1 33 ~~percent of the money to be distributed equally to each county~~
 1 34 ~~and fifty percent of the money to be distributed to each county~~
 1 35 ~~based upon the population of veterans in the county, so long~~
 2 1 ~~as the money distributed to a county does not supplant money~~
 2 2 ~~appropriated by that county for the county director of veteran~~
 2 3 ~~affairs.~~

DETAIL: Lottery proceeds are deposited in the Veterans Trust Fund four times a year pursuant to Iowa Code section 99G.9A. The estimated revenue generated from Lottery ticket sales and deposited in the Fund has been approximately \$2,852,000 annually. The repeal of the requirement in this Section will cause the annual Lottery proceeds to remain in the Veterans Trust Fund rather than being transferred to the county directors of Veterans Affairs.

2 4 Sec. 3. EFFECTIVE UPON ENACTMENT. This Act, being deemed of
2 5 immediate importance, takes effect upon enactment.

This Bill is effective on enactment.